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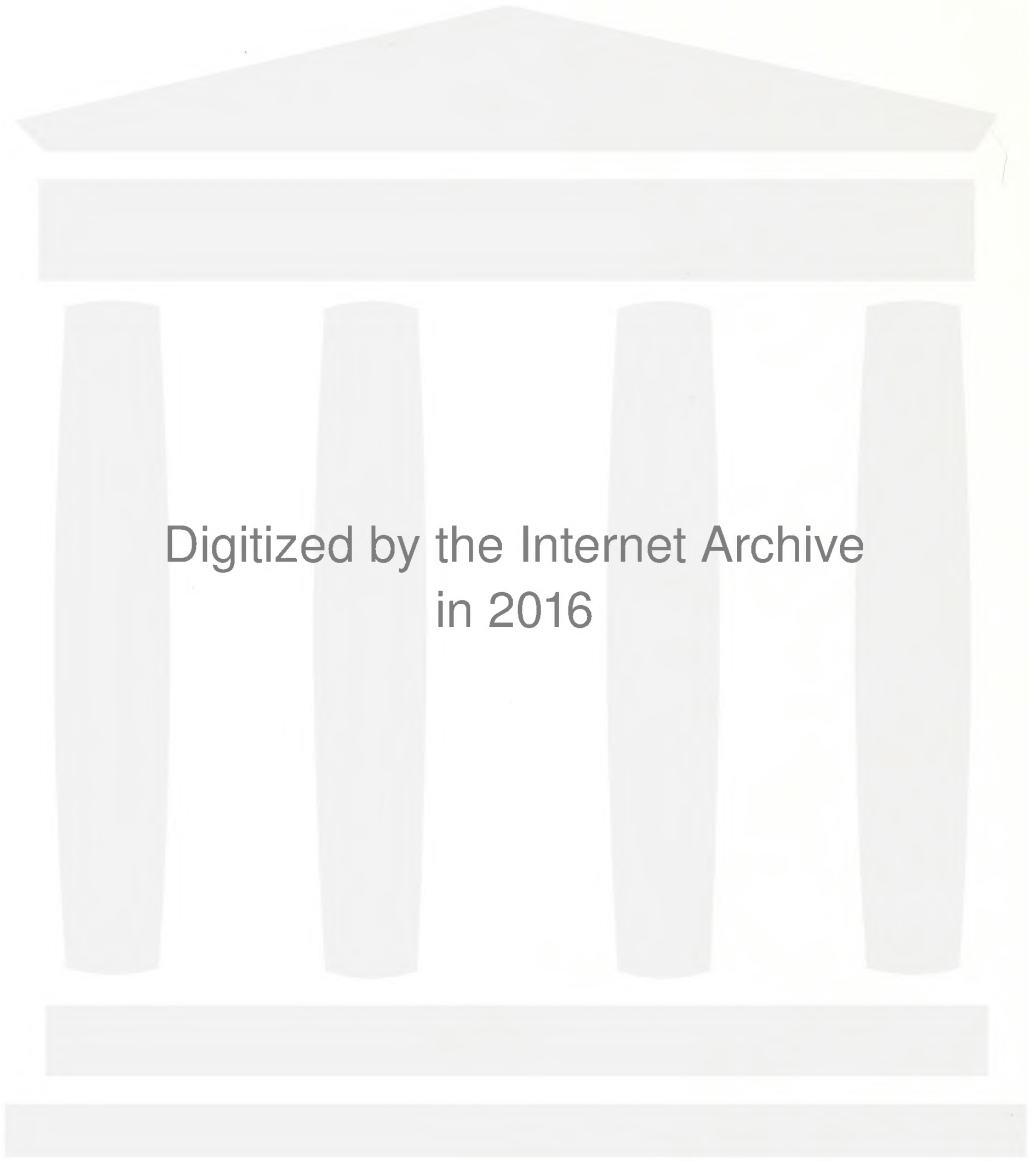
MANAGEMENT REVIEW

BANNER ELK
NORTH CAROLINA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ABSTRACT

TITLE:	Management Review For Banner Elk, North Carolina
AUTHOR:	State of North Carolina, Department of Natural and Economic Resources, Office of Industry, Tourist, and Community Resources, Division of Community Services, Martha Ramsey
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ABSTRACT:	A review, evaluation and specific recommendations are provided the local government in the areas of local government organization, administration and management practices, fiscal and financial resources and capabilities and personnel policy.

MANAGEMENT REVIEW

FOR

BANNER ELK, NORTH CAROLINA

PREPARED FOR:

The Town of Banner Elk, North Carolina
Charles Von Cannon, Sr., Mayor

Commissioners
Robert E. Grindstaff
Vance Lecka
Floyd H. Ramsey
LeRoy Riddle
Charles Whitesell

PREPARED BY:

Banner Elk Planning Board
Stanley Mills, M. D., Chairman
Mrs. Lucy Townsend
Charles B. Von Cannon, Jr.
Walter B. Wessels
Chester Pucket
Doyle Shoemaker
Robert Fielden
Cecil Crawford
Mrs. Lockie Rominger

TECHNICAL ASSISTANCE PROVIDED BY:

The State of North Carolina
Department of Natural and Economic Resources
Division of Community Services
Harold E. Strong, Administrator

Western Area Office, Asheville, North Carolina
Roger Briggs, Area Director
Martha Ramsey, Community Development Specialist
Hermon Rector, Draftsman
Carol Carrier, Stenographer

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INTRODUCTION

This report is a management review, evaluation and recommendations for the Town of Banner Elk, North Carolina. Its purpose is to provide information needed by local government to efficiently manage its programs and meet development objectives. It does not concern itself with the policy making or political functions of the town.

The Town of Banner Elk operates under the mayor-council form of government, implemented in 1970. Under this form the mayor is the head of the municipal government. The town council is the governing body, its function being to formulate policy for the town.

The Town of Banner Elk performs the following basic services: police protection; street construction and maintenance; refuse collection and disposal; provision of water; building inspection; and land use regulation.

The population of Banner Elk at the time of the 1970 census was 754[1] persons. This is an increase of approximately 34 percent since the 1960 census. A large portion of this increase was the result of a recent extension of the town limits. If the present rate of growth continues, and the proposed annexation is completed, the population will reach approximately 1100 by 1980.

With the increase in population will come an increase in the demand for more and better services. The subject matter of this report is indeed critical. It deals with the mechanism through which the Town of Banner Elk is to deliver services to its residents.

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[1] Includes college students residing within the town.

SECTION I

LEGAL FRAMEWORK

Before analyzing a town's management the first logical step is to look to its fundamental basis: the legal foundation upon which it is built. A town should have a clear, concise legal framework which outlines its basic powers and form of government. It should be up-to-date and truly reflect the actual, current operations and functions of the town.

TOWN CHARTER

The Town Charter is a series of Acts contained therein which were enacted in 1911, re-enacted with amendments in 1925, amended by act in 1937, and amended by a series of ordinances in 1970. These are the laws which provide the legal framework and basic substance of the town as a legal entity. Included in the present charter are the following:

- Corporate name, legal entity.
- Corporate limits.
- Establishing governing body -- terms of office and powers.
- Power of eminent domain.
- Street maintenance.
- Taxation power and procedures -- collection, tax collector, and town marshal, appointment and powers, special subjects of taxation.
- Power to enact ordinances for the better government of the town.

A review of the Town Charter makes obvious the need for the enactment of a true city charter. The section dealing with street maintenance which requires all males between eighteen and forty-five years to work on the streets five days in each year or pay two dollars in lieu of such work is

no longer enforced. Many of the remaining sections including taxation procedures have been superceded by state statutes.

By enacting a new charter, the town would have a legal document which would embody the basic law of the town as it now exists, as well as any desired changes the town may deem beneficial.

The charter is to be the town's basic fundamental document, it should be brief and only include matters that relate to true fundamentals.

Among the subjects which should be included in the new charter are the following:

- Incorporation and General Powers. The town's basic powers, designation of the Town Council as the governing body in the exercise of all powers, and the form of government should be stated.

- Corporate Boundaries. A legal description is not necessary. Reference to current maps is adequate.

- Mayor and Councilmen. Terms, qualifications, mode of selection, filling of vacancies, etc., should be included here. Procedural detail should be a matter of the Council's discretion. However, fundamental rules regarding introduction, consideration and adoption of ordinances should be included.

Charter provisions should be avoided in areas where the general law is adequate unless, for some reason variation from the general law is necessary.

Developing a new charter is a highly technical job. It will require the services of people with legal background as well as experts in city government. The North Carolina League of Municipalities provides expert technical assistance at nominal cost which should be used.

ORDINANCES

The ordinances which have been enacted by the town council have never been codified. They are presently kept only in the council's minute book.

Each ordinance should be attached to, or included in, the written text of the minutes of the meeting at which it was adopted. In addition to this a separate ordinance book should be maintained and copies of all ordinances kept in this volume.

Effective January 1, 1972, G. S. 160A-78 requires that each city file a true copy of each ordinance adopted on or after January 1, 1972, in an ordinance book separate and apart from the Council's minute book. Effective July 1, 1973, true copies of all ordinances that were adopted before January 1, 1972 and are still in effect shall be filed and indexed.

In order that the ordinances may be filed and indexed, it is recommended that each ordinance be numbered. A system should be developed whereby each ordinance number reflected the subject area of the ordinance. Ordinances could then be filed and indexed according to their subject. The town should begin by making a list of all the subject areas (Police Department, Streets and Sidewalks, Licenses and Permits, Town Council, etc.) presently covered by ordinances. A number should then be assigned to each subject area. This could be done alphabetically or by whatever method the town deemed would be beneficial. Regardless of the method used, space should be left for additional subject areas. The second part of the number should be assigned as the ordinances are adopted. For instance if 100 is the number that refers to the subject area Town Council and an ordinance dealing with the subject area is adopted, the number of ordinance might be 101.

After having numbered the ordinances, they should then be placed in the ordinance book under their appropriate subject. A loose leaf notebook could be used for this purpose. Maintaining an ordinance book with ordinances properly indexed is an orderly means for keeping local ordinances

and their amendments. If properly maintained it will be a useful tool for the Town Council and other town officials.

An alternative would be to have the League of Municipalities codified town ordinances, and all special acts and laws relating to the town. This is not financially feasible at the present time as the cost would be in the neighborhood of $2,000. However, the town should consider employing such services when it is in a financial position that will enable this expenditure to be made. It would also be advisable for the town to apply for federal grant monies to aid in the financing of the codification.

SECTION II

ORGANIZATION AND FUNCTIONS

This section is primarily concerned with the administrative organization of the town, the departments, offices and employees which carry out day-to-day administrative functions of the town.

FINANCE ADMINISTRATION

Most functions classified under finance administration are presently the responsibility of the Tax Collector and the Town Clerk. Billing, collection, and deposit of taxes and utility charges are the duties of the Tax Collector. Maintaining town records, preparing minutes of Town Council Meetings, issuance of checks, and keeping accounting records are the duties of the Town Clerk.

There is currently a lack of coordination between these two offices. Records of deposits are not received by the Town Clerk until the bank statement is received. As a result the Town Clerk does not know at any point in time the exact amount of the account balances.

It is recommended that the present two offices be re-organized into a department with primary responsibility for the finance administration functions. This new department, a Department of Finance, should be headed by a Director of Finance.

The Director of Finance should assume the duties of purchasing agent, tax collector and accountant.

As Purchasing Agent, he can develop an effective purchasing program for the town, implementing a system such as is outlined in this report.

As Tax Collector, he can supervise the city's collection operations.

As Accountant, he can refine and develop more effective accounting systems and procedures.

The Director of Finance should be professionally trained and experienced in finance. This person should be employed on a part-time basis, as the workload will not necessitate that a person be employed full time.

The Town Clerk's duties would then be to give notice of meeting of the Council, keep a journal of the proceedings of the council, and be custodian of all town records, as well as other duties as directed by the Town Council.

The present Tax Collector would retain the duties of billing and collection. This would be a separate division under the Department of Finance. All revenue collections, including taxes, utility charges, permit fees, auto tag receipts, etc. should be turned over to the Finance Director on the day they are received.

PURCHASING PROCEDURE

The present purchasing system in Banner Elk is somewhat decentralized, with purchasing activity being undertaken by a number of people. A record of encumbrances is not maintained and a precise determination of the dollar value of purchases is not available until the bill is received.

From the standpoint of accounting control and economy, the present system has considerable shortcomings. Its effectiveness depends upon the competency and efficiency of individuals rather than upon an effective system. A good purchasing system can save the town money and insure maximum quality in purchasing through such methods as: lowering costs by buying in quantity when the needs of various functions are consolidated; developing

joint purchasing arrangements with other governmental units when advantageous; taking full advantage of cash discounts; standardization of items in common use, which permits savings through larger quantity buying; improved specifications; and timing of purchases to secure the best price.

These type of things can be facilitated by placing the purchasing function under a purchasing agent. Under the present organization, this would be the Town Clerk.

A purchasing system is needed which implements the elements of an encumbrance accounting system. By using this system, the account records for each appropriation will reflect all purchases before they are made. Before an order is placed the appropriation against which it is to be charged will be encumbered - the anticipated cost of the purchase is posted to the appropriation account. The account then reflects not only what has actually been spent but what amounts are committed to pending purchases. Thus, the account records for each appropriation will give a true picture of the effective balance which is available for subsequent purchases. Such a system insures that bills will not come in for purchases beyond the sums appropriated.

When the invoice for goods received are honored and expenditures are made in payment, another entry is made in the already encumbered account indicating the disbursement. Accounts for all appropriations can be kept on a current basis indicating the original appropriation, encumbered funds, expenditures and unencumbered balances.

To complement the purchasing system, a purchase order system should be implemented.

All purchases of any kind should be initiated by the person desiring

to make the purchase sending a requisition to the purchasing agent. The purchasing agent should then fill out a three copy purchase order. The purchase order should indicate the account or appropriation against which it is to be charged. This can be done by assigning a control number to the purchase order. It should also indicate the item(s) to be purchased and the anticipated cost of the purchase, which is ascertained by the purchasing agent. The purchase order should then be reviewed to assure there are funds in the account for the purchase, etc. At this point the appropriate account should be encumbered in the amount of the purchase. The purchasing agent then signs the purchase order and forwards one copy to the vendor, one to the person who requested the purchase, and retains one copy.

When the goods are received, the purchasing agent should match the invoice with the purchase order. The Town Clerk should then issue a check in payment, and attach a voucher to the copy of the purchase order, retaining it as a permanent record of the purchase and payment thereof.

At the time the check in payment is issued the expenditure should be entered in the appropriate account which had previously been encumbered. This entry should indicate the voucher number as well as the purchase order number.

There should also be a policy to cover emergency purchases and purchases of small items which are left to the using departments.

A system similar to this, if implemented, would provide the type of accounting controls to the purchasing system which is presently lacking.

POLICE DEPARTMENT

It should be pointed out that this study is concerned with management. It will not concern itself with actual programs of police services of law enforcement policy considerations.

The present Police Department consists of one man, the Police Chief. He is responsible for law enforcement twenty-four hours a day in Banner Elk. He also answers calls within a one mile radius of the town.

It is impossible for one man to provide adequate police protection and law enforcement for the citizens of Banner Elk. As the population of the town increases, this will become an even greater problem.

Banner Elk is not presently in a financial position that will enable it to increase the size of the police force. An area Police Department is under consideration. Under this proposal, the number of officers would be increased to four. These four officers would be responsible for the area covered by the Town of Banner Elk, Grandfather Home, Lee-McRae College and Cannon Memorial Hospital. The development of this Police Department is dependent upon the ability to secure a grant from the Law Enforcement Administration.

BUILDING INSPECTOR

Currently the town has a temporary building inspector who is responsible for reviewing plans and issuing permits. He also performs the duties of Zoning Enforcement Officer.

The town plans to employ the services on a part-time basis of a person with the necessary technical expertise to fill this position as soon as possible.

WATER DEPARTMENT

The present Water Department is under the direction of the Water Commissioner. This Department is responsible for routine maintenance of the distribution system, installation of new lines, and collection and disposal of solid wastes.

The Department employs one person who collects solid wastes and transports it to the county landfill.

It is recommended that a separate Department, Department of Sanitation, be established to take over responsibility for the collection and disposal of solid wastes. Since refuse collection and disposal are specialized, full-time activities, the men and equipment assigned to these functions can lend little substantial assistance to the Water Department.

SECTION III

PHYSICAL FACILITIES

At the time of this study, Banner Elk does not own any physical facilities other than public works, or any property upon which to locate such facilities.

The town has been without a Town Hall for the past year. This leaves the town without a building in which to house its administration. Immediate attention should be given to this problem.

PUBLIC WORKS

Public works refers to the utilities that are furnished and owned by the town of Banner Elk. This is presently restricted to a water system which was completed in 1970.

The main sources of water for this system are two wells; one, southeast and the other northeast of town. These two wells are presently operating at less than one-half of their capacity.

This system should be adequate to serve the expected increase in population within the town as well as any annexed areas.

The town is desperately in need of a sewage system. In conjunction with the surrounding area, Area I Avery County, which includes the Airport area west of Town, and the watershed area around and including Sugar Mountain, south of town, the town is currently trying to secure grant monies from the Economic Development Administration to install an area sewage system. It is hoped that in the near future this proposed system will become a reality.

SECTION IV

ANALYSIS OF TOWN FINANCES

AD VALOREM TAXES

The two basic elements of Banner Elk's tax structure are the tax rate; that is, the amount of tax charged per $100 valuation and the total property valuation of the town for tax purposes.

Table 1 depicts the growth of Banner Elk's ad valorem tax base during the last eight years and shows projections through 1980. As shown on Chart 1, a decrease occurred in 1968. This decrease resulted from an adjustment for tax excess. The sharp increase from 1971 to 1972 was the result of an extension of the town's limits. Revaluation was responsible for the increase from 1972 to 1973.

It has been the town's experience that the taxable property will increase by about six percent each year. Taking into account the revaluation, assessed valuation of the town should increase to approximately $1,428,448 by 1980. This assumes that the rate of economic growth experienced in the past will be experienced in the future.

With taxable property valuations expanding as expected, Banner Elk should have significant increases in revenue from ad valorem taxes during the next few years. Economic expansion in the town should proceed at a higher rate in the next seven years than it has in the past. If the town extends its town limits, the tax base will be expanded accordingly. Consequently, the projection of assessed value in Table 1 is probably a conservative one.

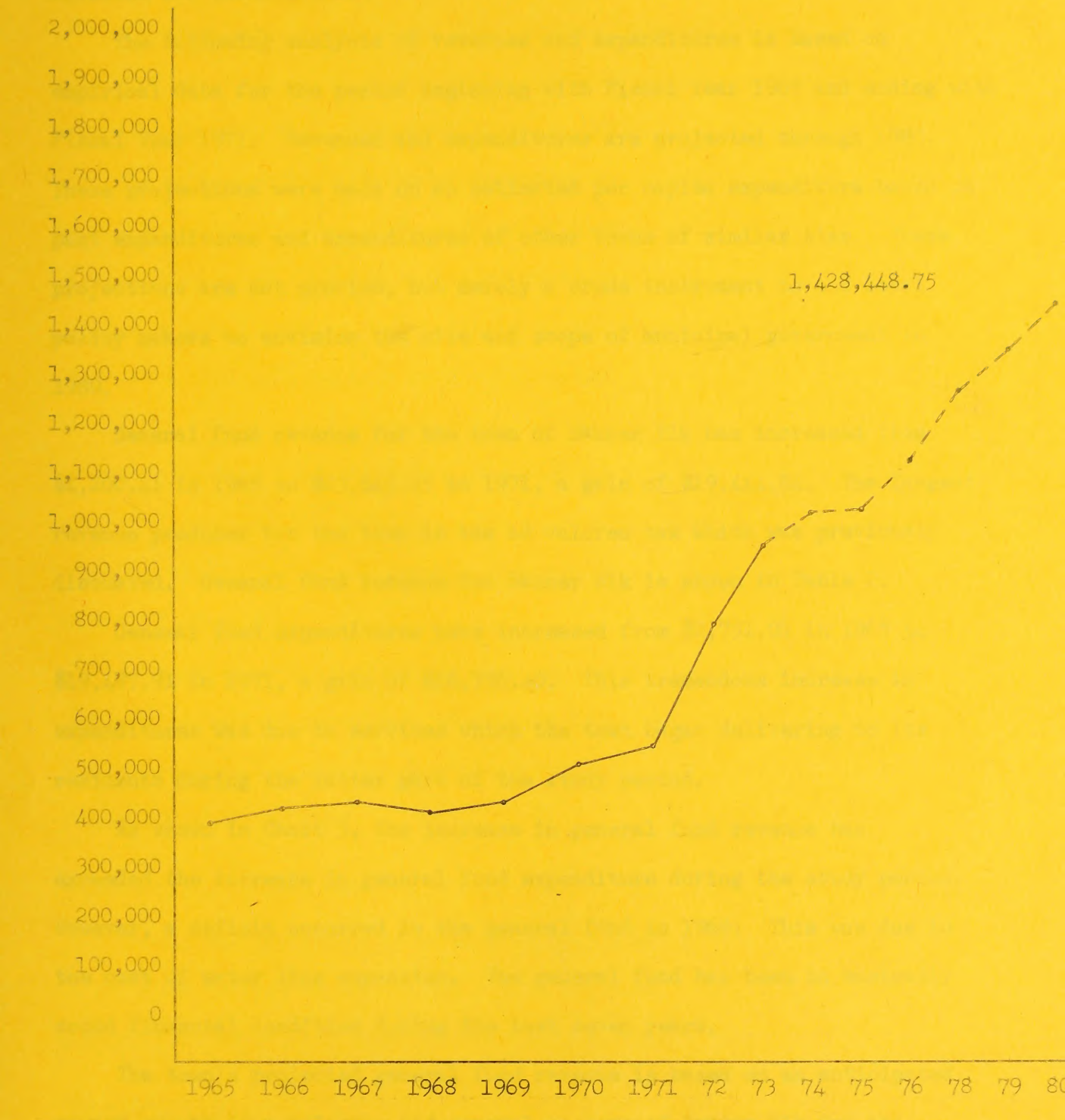
TABLE 1

ASSESSED VALUATION AND TAX RATE

Fiscal Year	Total Assessed Valuation	Assessed Ratio %	Estimated True Value	Tax Rate per $100 Assessed Valuation
1965	394,210	50%	788,420	.85
1966	412,115	50%	824,230	.85
1967	422,637	50%	845,275	1.25
1968	409,453	50%	818,906	1.00
1969	414,345	50%	828,690	1.70
1970	500,614	50%	1,001,228	1.70
1971	543,515	50%	1,007,030	1.70
1972	792,200	50%	1,584,400	1.70
1973	950,000	50%	1,900,000	1.70
1974	1,007,000	50%	2,014,000	
1975	1,067,420	50%	2,134,840	
1976	1,131,465	50%	2,262,930	
1977	1,199,353	50%	2,398,706	
1978	1,271,314	50%	2,542,628	
1979	1,347,593	50%	2,695,186	
1980	1,428,448	50%	2,856,896	

Source: Grisette and Beach, CPA, 1965-1971 - Town of Banner Elk: Audit Report.

CHART 1. ASSESSED VALUATION



Source: Grisette and Beach, CPA, 1965-1971 - Town of Banner Elk: Audit Report.

———— actual
--------- projected

REVENUES AND EXPENDITURES

The following analysis of revenues and expenditures is based on empirical data for the period beginning with Fiscal Year 1965 and ending with Fiscal Year 1971. Revenues and expenditures are projected through 1980. These projections were made on an estimated per capita expenditure based on past expenditures and expenditures of other towns of similar size. These projections are not precise, but merely a crude instrument to aid local policy makers to envision the size and scope of municipal government in 1980.

General fund revenue for the town of Banner Elk has increased from $4,200.41 in 1965 to $23,645.25 in 1971, a gain of $19,444.84. The largest revenue producer for the town is the ad valorem tax which was previously discussed. General fund revenue for Banner Elk is shown in Table 2.

General fund expenditures have increased from $2,751.01 in 1965 to $19,487.91 in 1971, a gain of $16,736.40. This tremendous increase in expenditures was due to services which the town began delivering to its residents during the latter part of the study period.

As shown in Chart 3, the increase in general fund revenue has exceeded the increase in general fund expenditure during the study period. However, a deficit occurred in the general fund in 1968. This was due to the cost of water line expansion. The general fund has been in basically sound financial condition during the last seven years.

The town's projected general fund revenue is based on an anticipated upward growth in population and general economy of Banner Elk for the 1972 through 1980 period. The general fund revenue is projected to increase from $23,645.25 in 1971 to $34,505.21 in 1980. The projected

ad valorem tax will constitute one half or more of the general fund revenue if the present assessment ratio (50%) and tax rate ($1.70 per $100 assessed valuation of which $1.36 goes into the general fund) is maintained. The estimated general fund revenue is shown in Table 2.

The estimated general fund-revenues exceed the general fund expenditures in all years except 1974. The largest difference being $1,680.41 in 1980. It should be noted that the estimated general fund expenditures do not include salary increases or the hiring of additional personnel. If these items were included, expenditures would exceed revenues in every year. Banner Elk is no different from any other municipality operating with a revenue structure that has difficulty keeping pace with the rising cost of operating governmental services. New sources of revenue must be explored by the town to insure that it remains financially sound and stable over a long period of operation.

Annexation of a considerable area around the town would increase the tax base as well as increasing the Powell Bill revenue and intangible and franchise taxes. Plans for annexation are under consideration and should be complete within the year.

MOTOR VEHICLE LICENSE TAX

Banner Elk has recently decided to levy a motor vehicle license tax of $1 on every vehicle which resides within the town. This should increase general fund revenue by approximately $200 in Fiscal Year 1973.

PRIVILEGE LICENSE TAX

Municipalities are granted authority to levy annually taxes on trades, professions; and franchises carried on within the city. They are prohibited

from levying such taxes on a number of activities and the amount of the tax is limited to other cases. Usually, the tax is a flat sum based on the type of trade or profession.

Banner Elk does not currently levy a privilege license tax. This could be a source of additional revenue for the town. The increase in revenue would depend upon the amount of the tax levy.

It is recommended that levying a privilege license tax be considered by the town.

TABLE 2

GENERAL FUND REVENUE BY SOURCE

SOURCE	1965	1966	1967	1968	1969	1970	1971
Tax Levy	3351.05	3502.98	5282.68	4094.53	7043.87	8510.44	9239.76
Intangible Tax	122.06	134.72	160.45	255.57	166.04	317.06	418.52
Franchise Tax		147.75	207.79	270.48	319.29	1045.56	1876.64
Insolvent Tax					132.48		
Interest, Fines & Penalties			1.33		.81	109.39	163.79
Donations	725.00						600.00
Miscellaneous Revenue	2.30			9.30	1.30	75.48	101.70
Sale of Well Site						3411.99	
Council for Crime Deterrence							7221.06
Sales Tax Refund							15.98
Gas Tax Refund							176.78
Decrease in Reserve for Receivables							3831.02
Total General Fund Revenue	4200.41	3785.45	5652.25	4629.88	7663.79	13469.92	23645.25

Source: Grisette and Beach, CPA, 1965-1971 - Town of Banner Elk: Audit Report.

TABLE 3

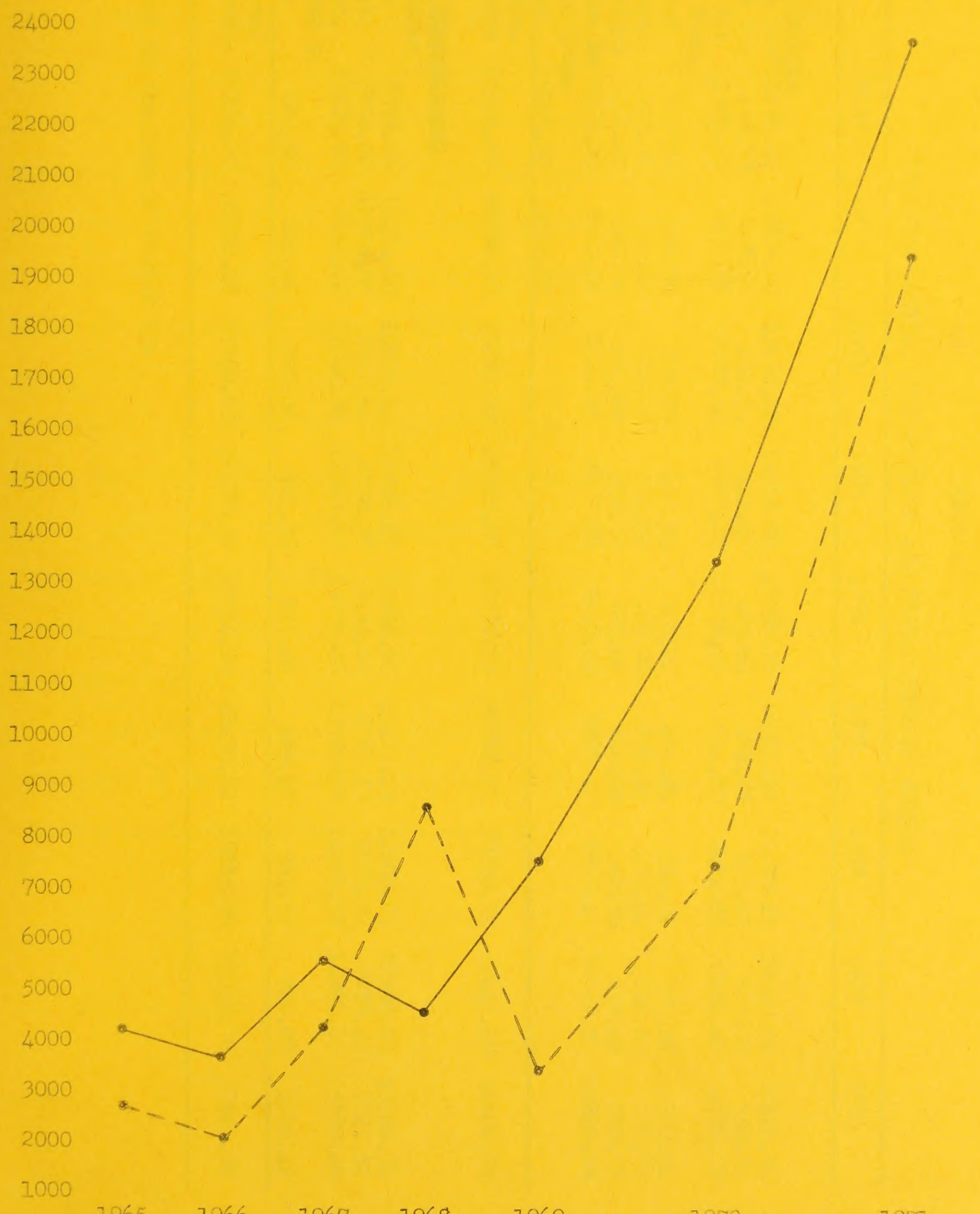
GENERAL FUND EXPENDITURE BY SOURCE

Source	1965	1966	1967	1968	1969	1970	1971
General Administration	848.55	1015.72	645.99	861.54	932.57	3047.79	6447.20
Street Department	1094.54	969.74	2347.99	1095.23	1127.56	979.23	1427.97
Police Department					20.00	2194.63	10501.04
Increase in Reserve for Receivables	769.14	39.77	1271.65	245.77	1377.63	673.70	
Purchase of Well Site				1106.43			
Interfund Transfers				5000.00			
Tax Discounts and Releases	38.78	60.78		329.22	1.01	690.23	1111.70
Total General Fund Expenditures	2751.01	2086.01	4265.63	8638.19	3458.77	7585.58	19487.91

Source: Grisette and Beach, CPA, 1965-1971 - Town of Banner Elk: Audit Report.

CHART 2

GENERAL FUND REVENUE AND EXPENDITURES



Source: Grisette and Beach, CPA, 1965-1971 - Town of Banner Elk: Audit Report

TABLE 4

PROJECTED GENERAL FUND REVENUE AND EXPENDITURE BY SOURCE

Source	1972*	1973*	1974	1975	1976	1977	1978	1979	1980
Estimated Revenue									
Ad Valorem Tax*	10696.00	12828.00	13695.20	14516.91	15387.92	16311.20	17289.87	18327.26	19426.89
Intangible Tax	408.00	408.00	424.34	442.47	460.60	478.73	503.23	527.73	552.72
Franchise Tax	1900.00	2000.00	2078.40	2267.20	2256.00	2344.80	2464.80	2584.80	2707.20
Interest, Fines & Penalties	150.00	150.00	155.89	162.54	169.20	175.86	184.86	193.86	203.04
Miscellaneous	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Gas Tax Refund	200.00	200.00	207.84	216.72	225.60	246.48	246.48	258.48	270.72
County Sales Tax	5000.00	8000.00	8322.26	8677.26	9033.40	9869.47	9869.47	10349.97	10840.08
Council for Crime Deterrence	6800.00	3000.00							
Total General Fund Revenue	25354.00	26786.00	25083.93	26383.67	27732.72	30758.71	30758.71	32442.10	34200.65
Estimated Expenditures									
General Administration	9399.00	11404.00	10123.54	10556.07	10988.60	11421.13	12005.63	12590.13	13186.32
Street Dept.	3750.00	11316.00	2242.94	2338.77	2434.60	2530.43	2659.93	2789.43	2921.52
Police Dept.	11525.00	3250.00	12046.06	12560.73	13075.40	13590.07	14285.57	14981.07	15690.48
Tax Releases & Discounts	680.00	816.00	788.06	821.73	855.40	889.07	934.57	980.07	1026.48
Total General Fund Expenditures	25354.00	26786.00	25200.60	26277.30	27354.00	28430.70	29885.70	31340.70	32824.80

*Estimated by the Town of Banner Elk

BONDED INDEBTEDNESS

Banner Elk currently has $66,500.00 in outstanding municipal bonds. Table 5 depicts annual debt service requirements from 1973 to 1980.

In North Carolina the incurrence of debt by local governments is regulated by the State Local Government Commission. Statutory limitations currently dictate that a municipality may incur no more than 8 percent of its assessed valuation in bonded indebtedness. Effective July 1, 1973, this limit will be 8 percent of appraised valuation. Table 6 shows the legal debt limit for Banner Elk as estimated from the projected ad valorem tax base for 1973-1980.

These however are statutory limitations. The Local Government Commission makes the final determination of a municipality's capacity for incurring debt. Some of the considerations used by the Commission in making the determination are: current interest rates, the condition of the national economy, current public debt per capita, the current assessment ratio, and the current ad valorem tax rate.

It is the opinion of the analyst that it would not be advisable for Banner Elk to incur any additional debt within the next several years unless a source is found for raising new revenues.

TABLE 5

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year	Principal	Principal & Interest	Total Outstanding Bond Indebtedness	Debt Ratio*
1972-1973	1,500.00	4,426.63	66,500.00	3.5000
1973-1974	1,500.00	4,346.00	65,000.00	3.2274
1974-1975	1,500.00	4,265.38	63,500.00	2.9745
1975-1976	1,500.00	4,184.75	62,000.00	2.7398
1976-1977	1,500.00	4,104.13	60,500.00	2.5222
1977-1978	1,500.00	4,023.50	59,000.00	2.3204
1978-1979	2,000.00	4,442.88	57,500.00	2.1334
1979-1980	2,000.00	4,341.63	55,500.00	1.9427

* Outstanding bonded indebtedness as a percent of appraised valuation.

TABLE 6

PROJECTION OF ASSESSED VALUATION

AND

LEGAL DEBT LIMIT

Year	Estimated Assessed Valuation	Estimated Appraised Valuation	Debt Limit
[1]1973	950,000	1,900,000	760,000
[2]1974	1,007,000	2,014,000	161,120
1975	1,067,420	2,134,840	170,787
1976	1,131,465	2,262,930	181,034
1977	1,199,353	2,398,706	191.896
1978	1,271,314	2,542,628	203,410
1979	1,347,593	2,695,186	215,614
1980	1,428,448	2,856,896	228,552

[1] 8% assessed valuation.

[2] 8% appraised valuation July 1, 1973 and thereafter.

RECOMMENDATIONS

A primary problem for Banner Elk is a lack of coordination and internal control in the area of fiscal management. It is recommended that a Department of Finance be established. This department should be headed by a Director of Finance who is employed on a part-time basis as the work load does not justify employment of a person full-time.

Under this proposal, the Director of Finance will be the chief fiscal officer. He will be responsible for all accounting records and all disbursement of funds. As Tax Collector he can supervise the town's collection operations. As Purchasing Agent he can develop an effective purchasing program for the town, implementing a system such as is outlined in this report, and supervising its operation.

Three other areas which need immediate attantion are police protection, sewage collection and disposal and the need for a town hall. The town is presently trying to secure grant monies to remedy these needs but should these fail to materialize they will have to look to other revenue sources.

The next area which should be considered is a means by which new revenues can be secured. Annexation is one possible source of increased revenue. If adopted this will increase the tax base as well as Powell Bill revenue, intangibles tax revenue and franchise tax revenue. Another source of revenue which has not been used is the privilege license tax. It is recommended that such a tax be adopted by the town. To prepare for future expenditures and methods of financing these expenditures, a Capital Improvements Advisory Committee should be established. This could be undertaken by the present Planning Board.

A true town charter should be enacted in order to provide the town - its elected and appointed officials, employees and citizens - with a useful and practical document which can serve as a clear guide to the basic operation and functioning of the town. The town should employ the services of the League of Municipalities since adoption of a new charter is a highly technical job requiring legal expertise.

A system whereby ordinances are numbered, indexed, and placed in an ordinance book should be adopted. If properly maintained, it will be an orderly means for keeping local ordinances and their amendments which will enable them to be readily accessible to Town Council and other town officials.

It is also recommended that a Department of Sanitation be established which would be responsible for solid waste collection and disposal. Since refuse collection and disposal are specialized, little benefit can be recognized by maintaining these functions under the Water Department.

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